

NEW SHOREHAM SCHOOL COMMITTEE MEETING

Block Island School

December 16, 2013

1:00 p.m.

The New Shoreham School Committee met in open session on Monday, December 16, 2013, in the media center of the Block Island School. Chair William Padien called the meeting to order at 1:10 p.m. The following members were present: Patricia Doyle, Ann Hall, William Padien, and Christopher Willi. Elizabeth Connor was not in attendance. Robert Hicks was also present.

2012-2013 Audit Report – Review and Accept

Representatives from the auditing firm of Hague, Sahady & Co., P.C. addressed the School Committee regarding the recently completed audit of the school's financial statements for the year ended June 30, 2013. The school department has a healthy bottom line that includes a surplus this year of approximately \$86,000. The auditors had three findings/recommendations: 1) Due to/due from interfund accounts are not being properly utilized. They should be used for interfund loan transactions and not as pooled cash accounts. When used properly the School Department would have significantly less reconciling issues on a monthly basis as well as at year end; 2) There is no formalized procedure in place to reconcile certain significant account balances or adjust the related accounting records monthly. It was suggested that a monthly reconciliation procedure for both interfund activity and fund balance activity be implemented; 3) The school lunch revenue is restricted and should not be included in the school's unrestricted revenue budget since it is not available to be used for educational operating expenses. It was suggested that going forward the School Department budget for its unrestricted revenue only in the school budget.

Mr. Hicks and Melanie Reeves will have responses to the management letter after they have a chance to take a closer look at the recommendations.

A motion (Padien, Doyle) to accept the draft (#3) audit report dated 12-12-2013 as presented carried with a vote of 4-0.

Adjournment

A motion (Padien, Hall) at 1:50 p.m. to adjourn carried with a vote of 4-0.

Date approved

Marsha L. Gutierrez, Clerk

**Double asterisk is used to define motions in the minutes for easier identification.